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[Proposed Counsel to DI Overnite LLC]

**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
SANTA ANA DIVISION**

In re:

DI OVERNITE, LLC, a Nevada limited
liability company,

*Alleged Debtor and Debtor in
Possession.*

Involuntary Case No.: 8:25-bk-10446-TA

Chapter 7 Case

**DECLARATION OF JOSEPH
VARRAVETO IN SUPPORT OF DI
OVERNITE LLC'S *EMERGENCY*
MOTION FOR AN INTERIM ORDER (I)
AUTHORIZING LENDER TO
CONTINUE PRE-PETITION FINANCING
DURING THE GAP PERIOD (II)
SCHEDULING A FINAL HEARING
PURSUANT TO BANKRUPTCY RULE
4001(b); AND (III) GRANTING RELATED
RELIEF**

TIME: TBD

JUDGE: Hon. Theodor Albert

PLACE: ZoomGov or Courtroom 5B
411 W. Fourth Street
Santa Ana, CA 92701

DECLARATION OF JOSEPH VARRAVETO

I, Joseph Varraveto, declare as follows:

1. I am the Chief Financial Officer of DI Overnite, LLC (the “Alleged Debtor” or “DI”). The matters stated herein are true and correct and are within my personal knowledge or information provided to me by attorneys or employees. If called upon to testify as a witness, I could and would testify competently thereto.

2. I make this declaration in support of *DI Overnite LLC’s Emergency Motion for an Interim Order (I) Authorizing Lender to Continue Pre-Petition Financing During the Gap Period (II) Scheduling a Final Hearing Pursuant to Bankruptcy Rule 4001(b); and (III) Granting Related Relief; Memorandum of Points and Authorities in Support* (the “Motion”) filed concurrently herewith. All capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Motion.

3. The Alleged Debtor is a logistics company specializing in last-mile delivery solutions. The company emphasizes value-driven, performance-focused logistics services, offering custom last-mile capabilities, technology-enabled efficiency, and a commitment to unmatched service and value. The Alleged Debtor has over 700 employees and contractors working to ensure that roughly 40,000 packages per day are timely delivered on behalf of dozens of customers and tens of thousands of package recipients.

4. On February 21, 2025, petitioning creditors Black Widow Holdings, LLLP (“Black Widow”), Mike Martin, and Love Inc. (“Love,” and together with Black Widow and Mike Martin, the “Petitioning Creditors”), purported creditors of Alleged Debtor, filed an involuntary Chapter 7 petition against Alleged Debtor, which has caused and is continuing to cause irreparable harm to the Alleged Debtor’s business and operations. The involuntary petition was a complete surprise to the Alleged Debtor.

5. The Alleged Debtor funds its operations via a \$20,000,000 revolving line of credit (“Revolver”) provided by its senior secured creditor, Pathward, National Association (as Lender) (the “Bank” or “Pathward”) pursuant to the terms of that certain Master Credit and Security Agreement among the Bank (as Lender) and DI (as Borrower) and DI Logistics, LLC, DI Express,

1 LLC, and DO Overnite Investments, LLC (collectively, as Guarantor) dated September 28, 2024
2 (the "Credit Agreement"), a true and correct copy of which is attached to the Motion as Exhibit 2.

3 6. I understand that as a result of the involuntary petition, and following an assessment
4 by the Bank, the Revolver was frozen effective as of March 3, 2025. The Alleged Debtor intends to
5 vigorously contest the involuntary petition via a separate response to be timely filed.

6 7. Prior to the filing of the involuntary petition, the Alleged Debtor was operating its
7 business as a going concern. Absent the un-freezing of the Revolver, the Alleged Debtor will be
8 forced to immediately shutter operations. I believe that no creditor should want to see the
9 evisceration of the value of the Alleged Debtor.

10 8. It is imperative that the Alleged Debtor obtain immediate access to cash collateral,
11 which is necessary to continue its business operations. If the Alleged Debtor is not allowed to do
12 so, it will be forced to cease all operations immediately, fire hundreds of employees and the value
13 of the business will plummet to next to nothing. It is anticipated that in such a scenario the
14 recovery to unsecured creditors would be zero. In order to operate the business, the Alleged Debtor
15 needs sufficient cash to continue to pay its employees, and to otherwise satisfy its basic, post-
16 petition operating expenses, such as rent and utilities.

17 I declare under penalty of perjury under the laws of the United States of America that the
18 foregoing is true and correct.

19 Executed on March 6, 2025, at Orange County, California.

20
21 
22 _____
23 Joseph Varraveto
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PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is 350 S. Grand Avenue, 40th Fl., Los Angeles, CA 90071.

A true and correct copy of the foregoing document entitled (*specify*): **DECLARATION OF JOSEPH VARRAVETO IN SUPPORT OF DI OVERNITE LLC'S EMERGENCY MOTION FOR AN INTERIM ORDER (I) AUTHORIZING LENDER TO CONTINUE PRE-PETITION FINANCING DURING THE GAP PERIOD (II) SCHEDULING A FINAL HEARING PURSUANT TO BANKRUPTCY RULE 4001(b); AND (III) GRANTING RELATED RELIEF** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On March 6, 2025, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- **Reem J Bello** rbello@goeforlaw.com, kmurphy@goeforlaw.com
- **Marc C Forsythe** mforsythe@goeforlaw.com, mforsythe@goeforlaw.com;
dcyrankowski@goeforlaw.com;Forsythe.MarcR136526@notify.bestcase.com
- **United States Trustee (SA)** ustpregion16.sa.ecf@usdoj.gov

☐ Service information continued on attached page.

The Honorable Theodore Albert
United States Bankruptcy Court
411 W. Fourth Street, Crtrm 5B
Santa Ana, CA 92701

DI Overnite LLC, a Nevada limited liability company
1900 S. State College #450
Anaheim, CA 92806

☐ Service information continued on attached page.

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*), _____ I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

March 6, 2025

Elisabeth Walters

/s/Elisabeth Walters

Date

Printed Name

Signature